GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

EFS&T Department – The Compensatory Afforestation Fund Act, 2016 – Account procedure and open of public account of State Compensatory Afforestation Fund of Andhra Pradesh – Notification – Orders – Issued.

ENVIRONMENT, FORESTS, SCIENCE & TECHNOLOGY (Section.II) DEPARTMENT

G.O.MS.No. 4 **Dated: 10-01-2019.**
Read the following:

1) The Gazette of India, New Delhi, Extraordinary, Part-II, dt.23.4.2004.
2) G.O.Ms.No.78, EFS&T Dept., dated.11-9-2009.
3) The Gazette of India, New Delhi, Part-II, dt.10.08.2018.
4) From DIGF (FC), Govt. of India, MoEF&CC (FC-Division), New Delhi, Lr.F.No.11-100/2015-FC (Vol.III), dt.10.8.2018.
5) The Gazette of India, New Delhi, Part-II, dt.13.08.2018.
6) From DIGF (FC), Govt. of India, MoEF&CC (FC-Division), New Delhi, Lr.F.No.11-100/2015-FC (Vol.III), dt.16.8.2018.
7) From IG of Forests, Govt.of India, MoEF&CC (FC Division), New Delhi, Lr.F.No.11-100/2015-FC(Vol.III), dated 27.11.2018.
8) Govt.Memo.No.3903/Section.II/2018, dt.28.8.2018.
9) From PCCF (HoFF), A.P., Guntur,Lr.Ref.No.22710/2015/ CAMPA-I, dt.12.09.2018.
10) G.O.Ms.No.106, EFS&T (Sec.II) dept., dated.26-10.2018.

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ORDER:

In the reference 1st read above, the Government of India, Ministry of Environment & Forests, had constituted an authority to be known as National Compensatory Afforestation Fund Management and Planning Authority (CAMPA), for the purpose of management and utilization of money at National level towards Compensatory Afforestation, Net Present Value and any other money recoverable in pursuance of the Hon'ble Supreme Court's order in this regard and in compliance of the conditions stipulated by the Central Government while according approval under Forest (Conservation) Act, 1980 for non-forestry uses of the forest land.

2. In the G.O.10th read above, orders were issued establishing the Andhra Pradesh State Compensatory Afforestation Fund Management and Planning Authority (A.P. State CAMPA) based on the guidelines of State Compensatory Afforestation Fund Management and Planning Authority (CAMPA) issued by the Government of India in the reference 4th read above.

3. In the reference 6th read above, the Government of India while communicating the draft accounting procedure as required under section 7 of the Act which the Central Government proposes to make in exercise of the powers conferred by section 30 of the Compensatory Afforestation Fund Act, 2016 (38 of 2016) has been published to regulate the manner of crediting the monies to the National Fund and State Fund and requested to take necessary action so that the funds may be transferred to State Fund.

4. In the reference 7th read above, the Government of India has reported that the accounting procedure for the Compensatory Afforestation Fund has been notified vide Notification No.G.S.R.1133(E), dated:20.11.2018. In accordance with the notified accounting procedure, the Head of Accounts required to be opened Major Head 2406, 8121 & 8336. It is, desirable to have standard heads of accounts in order to maintain transparency and uniformity in reporting. Head of Accounts for Central Government have already been opened. Uniform heads of accounts for States/UTs have been prepared in consultation with Controller General of Accounts,

Ministry of Finance, Department of Expenditure. This may be opened by State/ UTs immediately as provided in the Schedule-I (appended). Additionally, the State Govt/UTs are advised to open the Head of Accounts at Detailed Head/Object Head level under Major Head 2406 in order to operate/expenditure to be incurred by the State Authority.

5. The Principal Chief Conservator of Forests (Head of Forest Force) in their letter dt.06.10.2018 has stated that the State Government may, by notification in the Official Gazette, appoint in his behalf, there shall be established for the purposes of this Act, a special fund to be called the “State Compensatory Afforestation Fund of Andhra Pradesh” under public accounts of such State.

6. Government after careful examination of the matter hereby decided to establish a special fund. Accordingly, the following Notification will be published in the extraordinary issue of the Andhra Pradesh Gazette dated: 28.01.2019.

NOTIFICATION

In exercise of the powers conferred in section 4 of Compensatory Afforestation Act, 2016, (Central Act. 38 of 2016) (Government of Andhra radish) hereby establish a special fund called “State Compensatory Afforestation Fund of Andhra Pradesh” under public accounts of the State, as follows :

Accounting Procedure

1. The accounting procedure to regulate the manner of crediting the monies to the National Fund and State Fund in a year shall be in such manner as given below:

(1) Consequent upon issue of notification in the Official Gazette for establishment of the `National Compensatory Afforestation Fund' by the Central Government in terms of Section 3(1) and in terms of 3(3) of the said Act, the money deposited in nationalized bank accounts of adhoc Authority shall be transferred to the interest bearing section of Public Account of India under a distinct Minor Head with the nomenclature 'National Compensatory Afforestation Deposits' below the 'Major Head 8336- Civil Deposit' and Sub-Head opened thereunder for each State/ Union Territory.

Note: This is a Deposit Account as 90% of the monies transferred from the adhoc Authority belong to State Governments/UTs and not Central Government. Similarly, the funds realised from user agencies by State Governments/UTs shall be initially pooled in the corresponding State Compensatory Afforestation Deposits in the Public Account of the State and there from 10% transferred to National Compensatory Afforestation Fund (NCAF).

(2) While remitting money, the Adhoc Authority shall provide detailed State wise break-up of Compensatory Afforestation, Additional Compensatory Afforestation, Penal Compensatory Afforestation, Net Present Value and Protected Areas etc.

(3) The one-time 10% share of Central Government shall be credited/transferred to National Fund under interest bearing section of Public Account of India under a distinct minor head 'National Compensatory Afforestation Fund (NCAF) for the purpose below the 'Major Head 8121- General and other Reserve Funds'.

(4) Consequent upon issue of Notification for establishment of 'State Compensatory Afforestation Funds' by the State Government in terms of Section 4(1) of the Act, State share (90% of the monies with Adhoc Authority) so credited to the National Compensatory Afforestation Deposits under

Major Head 8336-Civil Deposits, shall be transferred to State Compensatory Afforestation Fund (SCAF) as per the State share. While transferring respective State share to State Fund, breakup shall be provided at Sub-Head level below the Minor Head 'State Compensatory Afforestation Fund (SCAF)'. These heads of accounts shall be uniformly applicable across the States.

(5) The Monies received by the State Government from the User Agencies shall be credited in `State Compensatory Afforestation Deposits' at Minor Head level below 'Major Head 8336-Civil Deposit' in Public Account of State out of which 90% shall be transferred to the Major Head 8121 in Public Account of State and 10% remitted to Major Head 8121 in Public Account of India by the State Government concerned. As per Section 3(4) of the Act, the 10% of funds realised from User Agencies and credited into State Compensatory Afforestation Deposits shall be completely transferred to National Fund before the close of the financial year. However, on monthly basis it should also be ensured that the 10% Central share of funds realised from User Agencies into State Compensatory Afforestation Deposits is transferred to National Fund.

(6) The expenditure of the National Authority shall be provided for under the Detailed Demand for Grants of the Ministry of Environment, Forest and Climate Change. The National Schemes to be financed from the National Fund shall be formulated by the National Authority and provisions made for the same in the Ministry's Budget. Similarly, the State Budget shall have provision for State Schemes to be operated through State Fund based on the APO of the State Authority.

(7) The Pay and Account Officer of the Ministry or the State Treasury, as the case may be, shall debit the concerned Functional Head under Consolidated Fund of India/Consolidated Fund of State and thereafter make the accounting adjustment at – regular intervals with the National Compensatory Afforestation Fund as deduct recoveries. This ensures that the expenditure is adjusted from the National Fund or the State Fund, as the case may be, and the balance continues to remain in the interest bearing, non-lapsable fund in Public Account.

Note:- New Head of Accounts in connection of National Compensatory Afforestation Fund (NCAF)/ State Compensatory Afforestation Fund (SCAF) is provided in Schedule-1.

2. Detailed Accounting Entries.- (1) Accounting Procedure for transfer of the existing monies with Ad-hoc Authority shall be as below:-

(i) Initially, amount lying with Adhoc Authority shall be transferred to distinct minor head below `MH 8336-Civil Deposits' under interest bearing section of Public Account of India.

Debit			
Major Head	Existing	8658	Suspense Accounts
Minor Head	Existing	108/138	Public Sector Bank Suspense/Other Nominated Banks (Private) Sector Banks) Suspense
Credit			
Major Head	Existing	8336	Civil Deposits
Minor Head	**New**	**102**	**National Compensatory Afforestation Deposits**
Sub Head	New	XX	**State /UT**

Note **1-** Each State or Union territory will be a separate Sub-Head as per Schedule-1. Each Sub-Head may be divided into Detailed Head for various activities viz. Compensatory Afforestation, Additional Compensatory Afforestation, Penal Compensatory Afforestation, Net Present Value of Forest Land, Protected Areas (National Parks, Wildlife, Sanctuaries), etc.

Note 2. While remitting money, Adhoc Authority shall provide detailed State wise breakup (of Compensatory Afforestation, Additional Compensatory Afforestation, Penal Compensatory Afforestation, Net Present Value and Protected Areas etc.).

(ii)At the time of payment 90% share to State Governments or Union Territory, the following heads shall be as follows:-

Debit			
Major Head	Existing	8336	Civil Deposits
Minor Head	**New**	**102**	**National Compensatory Afforestation Deposits**
Sub Head	New	XX	**State /UT**
Credit			
Major Head	Existing	8658	Suspense Account
Minor Head	Existing	110	Reserve Bank Suspense —CAO

(iii)Respective States shall credit the amounts to dedicated Minor Head '129-State Compensatory Afforestation Fund (SCAF)' below Major Head '8121-General and other Reserve Funds'. This Minor Head may be divided into Sub-Head for various activities viz. Compensatory Afforestation, Additional Compensatory Afforestation, Penal Compensatory Afforestation, Net Present Value of Forest Land, Protected Areas (National Parks, Wildlife, Sanctuaries) etc. Provided that while transferring State share to respective States, detailed state wise breakup (of compensatory afforestation, additional compensatory afforestation, penal compensatory afforestation, net present value and Protected Areas etc.) provided by ad hoc Authority will be conveyed to State Authorities concerned. All these will appear in accounts of the State Governments at Sub-Head level below Minor head 129- State Compensatory Afforestation Fund (SCAF) under 8121- General and other Reserve funds. These heads of accounts will be uniformly applicable across the States.

Note 1.- The applicable rate of interest on balances available under 'National Compensatory Afforestation Deposits' under '8336-Civil Deposits' and 'National Compensatory Afforestation Fund' under 8121-General and Other Reserve Fund shall be fixed by the Central Government.

Note 2.-The applicable rate of interest on balances available under 'State Compensatory Afforestation Deposits' under '8336-Civil Deposits' and 'State Compensatory Afforestation Fund' under 8121-General and Other Reserve Fund shall be fixed by the State Government.

(iv)At the time of transfer of 10% share to National Fund, the following accounting adjustment will be made - 10% share pertaining to Central Government shall be transferred to National Compensatory Afforestation Fund (NCAF) under Public Account of India from

National Compensatory Afforestation Deposits below Major Head 8336-Civil Deposits.

Debit			
Major Head	Existing	8336	Civil Deposits
Minor Head	**New**	**102**	**National Compensatory Afforestation Deposits**
Sub Head	**New**	**XX**	**State /UT**
Credit			
Major Head	Existing	8121	General and other Reserve Funds
Minor Head	**New**	**128**	**National Compensatory Afforestation Fund (NCAF)**

(V) **Accounting Procedure for 10% yearly receipts transferred from the User Agencies- (1)** The current receipts relating to Compensatory Afforestation should initially be accounted for under the below mentioned head by States:

Major Head	**Existing**	**8336**	**Civil Deposits**
Minor Head	**New**	**103**	**State Compensatory Afforestation Deposits**

Provided that this Minor Head may be divided into Sub-Head for various activities viz. Compensatory afforestation, Additional Compensatory Afforestation, Penal Compensatory Afforestation, Net Present Value of Forest Land, Protected Areas (National Parks, Wildlife, Sanctuaries) etc.

(2) Thereafter, 90% of the receipts will be transferred to Minor Head '**129-State Compensatory Afforestation Fund (SCAF)'** under the Major Head 8121—General and Other Reserve Funds in Public Account **on monthly basis.** While transferring respective shares to the State Fund, break up will be maintained and have to be provided at **Sub-Head level under new Minor Head. 8121.129 State Compensatory Afforestation Fund (SCAF).** These heads of accounts will be uniformly applicable across the States.

(3) Balance 10% shall be transferred to the National Fund by the States from their Deposit Head of Account on monthly basis. The Following entries will be made in the books of Central Government on receipt of the same.

Credit			
Major Head	Existing	8121	General and other Reserve Funds
Minor Head	**New**	**128**	**National Compensatory Afforestation Fund (NCAF)**

3. Expenditure from the Fund - (1) After due appropriation of funds and receipt of sanction of the Competent Authority the expenditure on schemes

to be financed from National Fund will be incurred from the relevant sub-major/minor heads below the Major Head 2406.

(2) On the basis of sanctions issued by the Ministry/Department for payment from National Fund, the Pay and Accounts Officer will make the payment by debiting government account as below:

Debit			
Major Head	Existing	2406	Forestry and Wild Life
Sub Major Head	Existing	04	Afforestation and Ecology Development
Minor Head	New	**102**	**National Compensatory Afforestation (NCA)**
Sub Head	**New**	**01**	**National Authority**
Credit			
Major Head	Existing	8670	Cheques and Bills
Minor Head	Existing	102	PAO cheques

(3) A new Minor Head 103-State Compensatory Afforestation (SCA)' is opened under Major Head '2406-Forestry and Wildlife' below Sub-Major Head '04-Afforestation and Ecology Development'. This Minor Head may be divided into Sub-Head for various activities viz. Compensatory Afforestation, Additional Compensatory Afforestation, Penal Compensatory Afforestation, Net Present Value of Forest Land, Protected Areas (National Parks, Wildlife, Sanctuaries) etc.

4. **Recoupment from National Fund/State Fund -** The Pay and Accounts Officer of the Ministry of Environment, Forests and Climate Change shall make the accounting adjustment with the National Fund as deduct recoveries. This ensures that the expenditure is adjusted from the National Fund and the balance continues to remain in the interest bearing, non-lapsable fund in Public Account. The following entry shall be made in the books of Pay and Accounts Officer;

Debit		**Code**	**Description**
Major Head	Existing	8121	General and other Reserve Funds
Minor Head	**New**	**128**	**National Compensatory Afforestation Fund (NCAF)**
(-Debit)			
Major Head	Existing	2406	Forestry & Wild Life
Sub Major Head	Existing	04	Afforestation and Ecology Development
Minor Head	Proposed	903	Deduct Amount met from National Compensatory Afforestation Fund (NCAF)
Object Head		70	Deduct recoveries

Note: The arrangement for State Government(s) shall be similar to that of Central Government. The Minor Head for "Deduct Amount met from State Compensatory Afforestation Fund (SCAF)" is '904'.

5. **Budget of the National Authority-** (1) The National Authority shall prepare its budget for the next financial year showing the estimated receipts and expenditure of the National Authority and forward the same to the Central Government, in such form and at such time in each financial year as may be prescribed.

Same/Similar arrangement shall be applicable in respect of State Authorities also.

(2) Principal Accounts Office, Ministry of Environment, Forest and Climate Change shall provide inputs for budget formulation to National Authority.

(3)The National Authority shall adopt financial regulation and procedures, in particular the procedure for drawing up and implementing the budget of the National Authority as may be prescribed.

6. **Annual Plan of Operation of National Authority.-** The National Authority shall prepare the Annual Plan of Operations (APO) with the approval of the Governing Body (of the National Authority) and formulate the National Scheme to operate the National Fund.
Note: Same/Similar arrangement shall be applicable in respect of State Authorities also.

7. **Accounts of National Authority.- (1)** Pay and Accounts Office, Ministry of Environment, Forest and Climate Change shall maintain a broadsheet of receipts and payments from the National Fund and effect reconciliation on monthly basis with the National Authority. It should be ensured that there are no adverse balances under the Reserve Fund at any time.

(2)The National Authority shall maintain proper accounts and other relevant records and prepare annual statement of accounts in such form as may be prescribed in consultation with the Comptroller and Auditor-General of India.

(3) The accounts of the National authority shall be audited by the Comptroller and Auditor-General of India at such intervals as may be specified by him and any expenditure incurred in connection with such audit shall be payable by the National Authority to the Comptroller and Auditor-General of India.

(4)The Comptroller and Auditor-General and any other person appointed by him in connection with the audit of the accounts of the National Authority shall have the same right and privileges and authority in connection with such audit as the Comptroller and Auditor-General generally has in connection with the audit of the Government accounts and, in particular, shall have the right to demand the production of books, accounts, connected vouchers and other documents and papers and to inspect the office of the National Authority.

(5)The accounts of the National Authority as certified by the Comptroller and Auditor-General or any other person appointed by him in this behalf together with the audit report thereon shall be forwarded annually to the Central Government by the National authority. The Comptroller and Auditor-General shall, within a period of six months from the date of commencement of the Act, audit the accounts of the all monies collected by the State Governments and Union Territory Administrations, which has been placed under the adhoc Authority and deposited in the nationalized banks and submit the report to the Central Government.

(6)The National Authority shall prepare, its annual report, giving a full account of its activities during the previous financial year and forward a copy thereof to the Central Government, in such form and at such time, for each financial year, as may be prescribed.

(7)The annual report shall inter alia, provide for:-

(i)The summary for monitoring and evaluation of activities undertaken from amounts released from the National Fund and State Funds during the year.

(ii) The summary of specific schemes specified in sub-clause (iii) of clause (b) of section 5 executed during the year.

(iii) The amount of money received and expended.

(8) The Central Government shall cause the annual report and audit report together with a memorandum of action taken on the recommendations contained therein to be laid as soon as may be after the reports are received before each House of Parliament.

8. Similar arrangement shall be applicable in respect of State Compensatory Afforestation Fund of Andhra Pradesh. The Principal Chief Conservator of Forest (Head of Forest Force) is requested to take necessary action accordingly.

9.Audit of National Authority.- The Comptroller and Auditor General of India has the power to conduct the audit including special audit or performance audit of State/ National Fund and State/ National Authority. The Internal Audit Wing under Chief Controller of Accounts shall also conduct audit at regular intervals of the National Fund and National Authority.

10.Investment of National Authority.- As the funds would be under the interest bearing section of the Public Account, there is no option with National/State Authority to invest the surplus in any other instrument.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

G.ANANTHA RAMU
PRINCIPAL SECRETARY TO GOVERNMENT

To
The Commissioner of Printing, Stationer & Stores Purchase,
Andhra Pradesh, Vijayawada with a request to publish the Notification in the A.P. Gazette and furnish 10 copies to Government, 50 copies to the Principal Chief Conservator of Forests (HoFF), Andhra Pradesh, Guntur.

The Principal Chief Conservator of Forests (Head of Forest Force),
Andhra Pradesh, Guntur.

The Secretary to Government of India, Ministry of Environment & Forests,
Paryavaran Bhavan, CGO Complex, Lodhi Road, New Delhi.

Copy to:

P.S. to Spl.C.S to Hon'ble C.M.
P.S. to Hon'ble Minister for Finance,
P.S. to Hon'ble Minister for EFS&T,
P.S. to Chief Secretary to Government
P.S. to Principal Secretary to Government, EFS&T Department,
Law (G) Department.
Sc/Sf.

// FORWARDED :: BY ORDER //

SECTION OFFICER

Schedule-1

New Head of Accounts in connection with the National Compensatory Afforestation Fund (NCAF) / State Compensatory Afforestation Fund (SCAF)

Head of Accounts		
Major Head	**2406**	Forestry & Wild Life
Sub Major Head	04	Afforestation and Ecology Development
Minor Head	**102**	**National Compensatory Afforestation (NCA)** (NCA)
Sub Head	01	National Authority
Major Head	**2406**	Forestry & Wild Life
Sub Major Head	04	Afforestation and Ecology Development
Minor Head	**103**	**State Compensatory Afforestation (SCA)**
Sub Head	01	State Authority
Detailed / Object heads may be opened to operate / expenditure for State Authority by each State / UT under this sub - head		
Major Head	**8121**	General and Other Reserve Funds
Sub Major Head	00	
Minor Head	**128**	**National Compensatory Afforestation (SCAF)**
Major Head	**8121**	General and Other Reserve Funds
Sub Major Head	00	
Minor Head	**129**	**State Compensatory Afforestation (SCAF)**
Detailed Head	01	Compensatory Afforestation
	02	Catchment Area Treatment Plan
	03	Integrated Wildlife Management Plan
	04	Net Present Value of Forest Land
	05	Interest
	06	Others
Major Head	**8336**q	Civil Deposits
Sub Major Head	00	
Minor Head	**102**	**National Compensatory Afforestation Deposits**
Sub Head	**01**	**Andhra Pradesh**
Detailed Head	01	Compensatory Afforestation

	02	Catchment Area Treatment Plan
	03	Integrated Wildlife Management Plan
	04	Net Present Value of Forest Land
	05	Interest
	06	Others